



# Trade Facts

Office of the United States Trade Representative  
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## Middle East Free Trade Initiative

President Bush has proposed a free trade initiative that offers a vision of openness, trade integration, and economic development for the Middle East. America is committed to a step-by-step strategy for progress that will help nations build free, dynamic economies and will raise standards of living.

**"Leaders in the region speak of a new Arab charter that champions internal reform, greater political participation, economic openness, and free trade."**

**President George W. Bush,  
American Enterprise Institute,  
February 27, 2003**

- First, the United States will actively support World Trade Organization (WTO) membership for those peaceful countries in the region that seek it. The U.S. wants to assist the full integration of the nations of the Middle East within the global trading system.
- Second, the United States will expand the Generalized System of Preferences (GSP) program to increase U.S. trade linkages with the Middle East. GSP provides duty-free entry to the U.S. market for some 3,500 products from 140 developing economies, including six countries and the West Bank in the Middle East. Last year, Americans purchased nearly \$300 million worth of products from the region under this program—including Egyptian furniture, Omani jewelry, and Lebanese olive oil.
- Third, the United States will offer to negotiate Trade and Investment Framework Agreements (TIFAs) that establish a framework for expanding trade and resolving outstanding disputes. In addition to negotiating new agreements, the U.S. will offer to deepen those TIFAs already in place with Bahrain, Morocco, Egypt, Tunisia, and Algeria. TIFAs are an important rung on the ladder to a free trade agreement. They help nations develop the institutions and rules to integrate more fully into the global economy.
- Fourth, the United States will offer to negotiate Bilateral Investment Treaties (BITs) with interested countries. By obligating governments to treat foreign investors fairly and offering legal protection equal to domestic investors, a BIT signals that a country is a safe place to do business.
- Fifth, the United States will negotiate comprehensive free trade agreements (FTAs). The U.S. has an existing FTA with Jordan, is negotiating an FTA with Morocco, and is consulting with Congress about launching negotiations with Bahrain. Then, the U.S. will seek to negotiate agreements with other countries. Eventually, these bilateral FTAs will be expanded into sub-regional FTAs by bringing in willing countries that demonstrate a commitment to economic openness and reform. Within a decade, the U.S. hopes to meld these sub-regional FTAs into an historic regional Middle East Free Trade Area: a mutual commitment for openness among the United States and the nations of the Middle East and Maghreb.
- Finally, the U.S. trade strategy includes the provision of trade capacity building aid to help countries realize fully the benefits of open markets. The Middle East Partnership Initiative will help target more than \$1 billion of annual funding from various U.S. Government agencies and spur partnerships with private organizations and businesses that support trade and development.